



STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

December 13, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 December 13, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (CDI) FOR THE AUTOMOBILE INSURANCE FRAUD (AIF) AND ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION "URBAN GRANT" PROGRAMS AND APPROVE THE BUDGET ADJUSTMENT FOR FISCAL YEAR 2011-12 (ALL DISTRICTS) (4-VOTES)

SUBJECT

The State of California, Department of Insurance (CDI) has awarded the District Attorney's Office (DA) \$4,536,175 for the Automobile Insurance Fraud (AIF) Program, and \$2,728,400 for the Urban Grant Program to support enhanced investigation and prosecution of fraud activity.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the District Attorney to accept grant funds from the California Department of Insurance, for the period of July 1, 2011 to June 30, 2012, for Automobile Insurance Fraud (AIF) in the amount of \$4,536,175 and Urban Grant in the amount of \$2,728,400. There is no required County match for these programs.
2. Authorize the District Attorney to execute the Grant Award Agreements (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as Project Director and to sign and approve any revisions to the GAAs that do not increase the Net County Cost of the Agreements.
4. Approve the attached Appropriation Adjustment in the amount of \$1,435,000 to supplement the

salaries and employee benefits, services and supplies, and fixed assets appropriation for FY 2011-12.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The objective of these programs is to maintain an active partnership in anti-fraud efforts. Accordingly, the DA's office submitted grant applications to CDI for FY 2011-12. On November 4, 2011, the DA's Office received the GAAs from the CDI for the funds awarded to AIF and Urban Grant Programs.

Board approval is required to accept grant funds for AIF and Urban Grant Programs from CDI for FY 2011-12.

The Request for Appropriation Adjustment is needed in order to align the DA's budget with the full amount awarded to each program.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal No. 5, Public Safety, by ensuring that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County, by using funds for law enforcement operation costs that enhance the quality of criminal investigations for prosecution.

FISCAL IMPACT/FINANCING

The CDI administers the grant programs and the distribution of funds for enhanced investigation and prosecution of automobile insurance fraud cases and organized automobile insurance fraud activity.

The CDI awarded grant funding for DA fraud programs for FY 2011-12. The \$1,435,000 appropriation adjustment will be used as follows:

- AIF Program - \$749,000 will be used for Salaries and EBs. This amount represents the difference between the grant award of \$4,536,175 and the \$3,787,000 that was included in the District Attorney's FY 2011-12 Final Adopted Budget.
- Urban Grant Program – \$686,000 will be used for Salaries and EBs (\$582,000), Services and Supplies (\$50,000), and Fixed Assets (\$54,000). This amount represents the difference between the grant award of \$2,728,400 and the \$2,042,000 that was included in the District Attorney's FY 2011-12 Final Adopted Budget.

In light of the State's budget situation, if funding for these programs were to be terminated, an evaluation of each program would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Insurance Code Sections 1872.8(b)(1)(D) (AIF) and 1874.8 (Urban Grant), CDI is authorized to award and distribute certain funds to District Attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of organized automobile insurance fraud activity.

The DA has been awarded funding for the AIF for the past eighteen years and Urban Grant for eleven years.

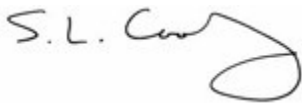
IMPACT ON CURRENT SERVICES (OR PROJECTS)

These programs do not propose attorney staff augmentation. Therefore, the DA is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter to Ms. Emily Aidells, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, California, 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "S.L. Cooley", with a large, stylized loop at the end.

STEVE COOLEY
District Attorney

vc

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
NO. 370

DEPARTMENT OF DISTRICT ATTORNEY

November 23, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2011-12

4 - VOTES

SOURCES

See attached

USES

See attached

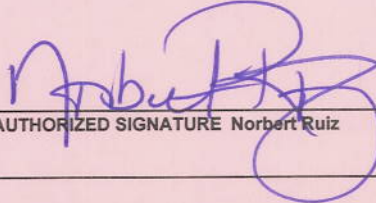
SOURCES TOTAL: \$ 1,435,000

USES TOTAL: \$ 1,435,000

JUSTIFICATION

The Budget Adjustment allocates the unbudgeted revenue from the Automobile Insurance Fraud (AIF) and Organized Automobile Fraud Activity Interdiction (Urban Grant) Programs. The additional appropriation will provide sufficient funds to support the successful implementation of the auto fraud programs.

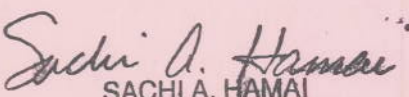
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES


AUTHORIZED SIGNATURE Norbert Ruiz

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

29

DEC 13 2011


SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY 

B.A. NO. 042

Nov 23 2011

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY 

November 30 2011

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

SOURCES

District Attorney
A01 - DA - 88 - 8831 - 14030
State - Other \$1,435,000
Increase Revenue

Total: \$1,435,000

USES

District Attorney
A01 - DA - 1000 - 14030
Salaries & Employee Benefits \$1,331,000
Increase Appropriation

District Attorney
A01 - DA - 2000 - 14030
Services & Supplies \$50,000
Increase Appropriation

District Attorney
A01 - DA - 6030 - 14030
Capital Assets - Equipment \$54,000
Increase Appropriation

Total: \$1,435,000

BA# 042 Karin Silaume 11/23/11

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description **Automobile Insurance Fraud Program**

The objective of this program is to enhance prosecutorial efforts and criminal investigations of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (CDI) to identify, investigate and prosecute organized automobile insurance fraud rings (staged accidents, cappers, etc.). Perpetrators also include unscrupulous doctors, chiropractors, lawyers and others who profit from fraudulent automobile insurance claims.

Funding Agency
California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)
California Insurance Code § 1872.8

Grant Acceptance Deadline

Total Amount of Grant Funding: \$4,536,175

County Match: \$0

Grant Period: FY 2011-12 **Begin Date:** July 1, 2011

End Date: June 30, 2012

Number of Personnel Hired Under This Grant: 26

Full Time: 21 **Part Time:** 5*

* One position is partially grant-funded by Urban Grant Program.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____

Date 4/25/11

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description: Organized Automobile Insurance Fraud Activity Interdiction
"Urban Grant" Program

The State Organized Automobile Fraud Interdiction Activity "Urban Grant" Program combats organized automobile insurance fraud and economic auto theft activity in California's urban areas. This program is designed to increase the investigation and prosecution of this widespread crime in Los Angeles County. The Los Angeles County District Attorney's Office, with the collaboration of the California Highway Patrol, CDI, and the Los Angeles Police Department has broken up numerous staging gangs that have caused millions of dollars in losses.

Funding Agency
California Department of
Insurance

Program (Fed. Grant # /State Bill or Code #)
Urban Grant (AB1050), California
Insurance Code § 1874.8

Grant Acceptance Deadline

Total Amount of Grant Funding: \$2,728,400

County Match: \$0

Grant Period: FY2011-2012 **Begin Date:** July 1, 2011

End Date: June 30, 2012

Number of Personnel Hired Under This Grant: 14

Full Time: 13 **Part Time:** 1*

*This position is partially grant-funded by Automobile Insurance Fraud Program.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources
(Describe) _____ Yes ☐ No ☒

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____



Date 11/24/11